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GAIN Report

Global Agricultural Information Network

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Report Highlights:

Estonian Swine inventories are expected to decrease by 15 percent in 2016 due to low levels of farm-gate prices for swine, ASF outbreak, and introduction of the Russian import ban in 2014. Production of pork in 2016 is expected to remain at the previous year's level as a result of continuing reduction of swine inventories. Cattle inventories are expected to remain stable in 2016 because of improvement in the dairy market and stable prices for calves destined for export. Production of beef is expected to decline in 2016 due to reduced slaughter.

General Information:

Swine

Production

At the beginning of 2016 inventories of swine amounted to 304,500 and were 15 percent lower than in 2015. In the first nine months of 2016 Estonian swine inventories continued to decline because of the low levels of farm-gate prices for hogs. It is expected that in 2016 swine inventories will decline by another 15 percent. During the first nine months of 2016 slaughter of swine was only one percent lower than in the same period of 2015, which indicates that the process of reduction of the Estonian pig herd continues with almost the same pace as in 2015. The outbreak of African Swine Fever (ASF) in August 2015 had a detrimental effect on the situation in swine production. In Estonia the first case of ASF in domestic pigs was detected in the middle of July 2015 (see also FAS Warsaw Report “Expansion of African Swine Fever in Poland and Baltic Countries. Warsaw Poland 11-7-2016”. To cope with ASF, Estonia applied all the preventive and eradication measures provided in the EU regulations in order to control the situation. On August 24, 2016, the Estonian Veterinary and Food Board diagnosed ASF on Estonia’s Saaremaa Island. The presence of ASF in swine was confirmed on a farm with 2,700 pigs. Saaremaa and Hiiumaa counties were so far the only Estonian counties where the European Commission had not established any zones of control of the spread of ASF, but in the light of the recent outbreak at the Saaremaa Island necessary restrictions were implemented. Estonia participates in the EU’s program of reduction of wild boar population within the Common ASF Strategy established by the EU for Baltics and Poland.

Consumption

Slaughter of swine in 2016 is expected to be at the same level as in 2015 because of the continuing reduction of pig inventories caused by ASF and pork export restrictions. The average slaughter weight of swine in 2015 is expected to increase in 2015 because of delays in procurement in the areas affected by ASF and fluctuations of farm-gate prices for swine.

Trade

In 2015 Estonia imported 12,364 swine for slaughter from Finland. It was a first import of swine for slaughter since 2009. In the first nine months of 2016 Estonia already imported 32,605 slaughter pigs from Finland, which indicates that domestic production is insufficient to meet demand for local consumption and export of pork. In 2015 Estonia exported 83,113 head of swine mainly to Lithuania, Poland and Latvia. Exports of swine in 2015 were 25 percent lower than in 2014. Reduction of swine inventories accompanied by ASF restrictions are expected to limit exports of swine in 2016. In the first nine months of 2015 piglet exports were reduced by 78 percent in comparison to the same period of 2015. A drop of exports of slaughter pigs in 2016 also stems from reduced demand from Lithuania, the major importer of Estonian swine.

Pork

Production

It is estimated that pork output in 2016 will amount to 50,000 MT and will remain at the same level as in 2015. Although it is forecast that slaughter in 2016 will be one percent lower than in 2015, a higher slaughter weight is expected to partly offset lower number of slaughtered animals.

Consumption

In 2015 the annual per capita domestic consumption of pork is estimated at 40 kilograms. Two Finnish meat processing companies slaughter 40 percent of swine in Estonia. Preferences of Estonian consumers for pork stimulate imports and are forcing the government to introduce measures which will help the pork industry to recover.

Trade

Estonia is a net importer of pork. In 2015 Estonia imported 23,197 MT of pork, 8 percent more than in 2014. Higher imports of pork in 2015 stemmed from growing domestic demand. It is estimated that in 2016, due to stable production, pork imports will grow by 2 percent reflecting the growing domestic consumption. In the first nine months of 2016 Estonia imported 2 percent more pork than in the same period of 2015. Major suppliers of pork are Germany, Finland, Denmark and Poland. In 2015 overall exports of pork amounted to 10,814 MT, a 16 percent increase compared to 2014. However, in the first nine months of 2016 imports of pork were 8 percent lower than in the same period of 2015.

Cattle

Production

In December 2015 cattle inventories amounted to 256,200 head and were over three percent lower than a year ago. Inventories of cattle decreased mainly due to the reduction of the dairy cattle herd. In 2015 the numbers of dairy cattle dropped by five percent because of low levels of farm-gate prices of milk. Cattle inventories are expected to remain stable towards the end of 2016 because of improvement in the dairy market and stable prices for calves destined for export. In Estonia there are 70,000 head of beef cattle mainly Angus, Hereford and Limousine breeds. A lot of young fattening cattle are exported to the Netherlands, Poland and Turkey.

Consumption

Slaughter of cattle in 2015 was 2 percent higher than a year ago because of declining inventories and higher exports of calves. It is expected that slaughter of cattle will decrease in 2016 in comparison to 2015 due to stable inventories.

Trade

In 2015 Estonia exported 49,262 head of cattle mainly to the Netherlands and Poland. Cattle exports

were 33 percent higher than in the previous year because of growing shipments to Turkey. In the first nine months of 2016 exports decreased by 15 percent because of reduced demand from Turkey and Poland. Imports of cattle are limited to breeding stock from Germany, Switzerland and Denmark.

Beef

Production

In 2015 beef production amounted to 12,600 MT and was 6 percent higher than in 2014. Production of beef is expected to decline in 2016 because of reduced slaughter. Most of beef produced in Estonia comes from dairy breeds. However, there is a growing interest to develop pure bred beef production in Estonia and promote consumption of high value beef. Estonia has natural conditions for the development of high value beef production, however, there is a need for importation of genetics of beef cattle and education of farmers on beef production technology.

Trade

Estonia is a net exporter of beef. In 2015 exports of beef amounted to 1,919 MT and were 2 percent lower than in 2014. Finland and Sweden are major importers. In the first 9 months of 2016 beef exports dropped by 30 percent mainly due to reduced sales to Finland. In 2015 Estonia imported 1,754 MT of beef mainly from Lithuania, Latvia and Poland.

End of the Report.